

AFRICA RISK CONSULTING

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Egypt Summary 15 November 2021

Egypt calls for developed nations to live up to promised contributions at the United Nations (UN) Climate Change Conference of the Parties (COP26) in Glasgow (United Kingdom). President Abdel Fattah El Sisi (2014-present) tells world leaders that despite not being responsible for the climate crisis, Africa is suffering its consequences the most. Egypt scraps the State of Emergency in the lead-up to strategic talks in Washington (United States) (US) as the administration of US president Joseph Biden (2021-present) faces pressure to take a harder stance in light of Egypt's deteriorating rights situation. The government has begun rolling out walk-in vaccination centres in metro stations prior to the entry into effect of new regulations that will exclude public sector workers unvaccinated against Covid-19 from their workplaces as of 15 November. Members of the public will not be able to enter government buildings without being vaccinated against Covid-19 from 1 December.

Sisi attends COP26 ...

President **Abdel Fattah El Sisi** (2014-present) attended the **United Nations (UN) Climate Change Conference of the Parties (COP26) in Glasgow (United Kingdom)** in November. Egypt's main objective at the global climate summit was to pressure rich countries to follow through on their promises of funding for adaptation efforts in low-income countries. In his speech to world leaders on the first day of the summit, Sisi noted Egypt's concern about the gap between the available finance and the actual needs of the developing countries, in addition to challenges faced by low-income countries to access this finance:

"It is imperative that developed countries fulfil \$100 billion annually to climate finance in developing countries."¹

Egypt has officially been selected to host **COP27**, which will be held in the **Red Sea** town of **Sharm El Sheikh** in November 2022. It is likely to again place the focus on developing countries, which are facing serious climate consequences despite being least responsible, a point directly referenced in Sisi's remarks:

*"Despite not being responsible for the climate crisis, **Africa** is suffering its consequences the most."²*

Africa is expected to face the most severe impacts of climate change, displacing up to 86 million Africans by 2050 in the absence of concrete climate and development action.³ Sisi's comments come after developed nations fell short of their pledge to provide \$100 billion in aid annually by 2020 to assist with developing countries' green transition, instead promising this would be reached in 2023, a point of tension during the summit. While Egypt is a signatory of the **Paris Agreement** and the updated COP26 pledge, the country has not submitted any binding targets setting out specific emissions reductions, known as **Nationally Determined Contributions**, and sources have said there is reluctance to do so before developed nations deliver on funding promises.

¹ Al Ahram, 4 Nov 2021.

² Al Ahram, 4 Nov 2021.

³ World Bank's Groundswell Africa

As the Arab world's most populous nation, Egypt is one of the countries likely to be most affected by climate change. Water is a key issue amid water shortages and declining rainfall, particularly as the **Grand Ethiopian Renaissance Dam** dispute with **Ethiopia** remains unresolved. The **Mediterranean** coast is also particularly vulnerable to rising sea levels. Egypt has previously used international finance to support the construction of coastal flood barriers and renewable energy projects, and has already been drawing in at least \$1 billion annually in clean energy investment, according to the **UN Environment Program (UNEP)**.⁴

Oil minister **Tarek El Molla** announced at COP26 the government's longer-term plans. These include committing to dedicate half of public infrastructure spending to climate-related projects by 2024, and growing renewable energy capacity to cover 42% of the country's electricity needs by 2030. Currently just over 10% of energy demand is covered by renewables. The new plan would shorten by five years the timeline for clean energy transition after the government announced in 2016 that it was aiming to reach the 42% mark by 2035.⁵ The plan also included other priorities for climate spending, including water desalination plants, protections for vulnerable tourist sites, and water conservation measures for agriculture.⁶

While the country has enormous potential to generate solar energy and is building large wind farms, reliance on fossil fuels, particularly oil and gas, and to a lesser extent coal remain a primary barrier to the adoption of a majority renewable energy system. The need for greater investment in the electricity grid remains. The country's **Sovereign Wealth Fund** is already backing green hydrogen pilot projects and has said there could be a large opportunity in offset credits for sale on the international carbon market.⁷

Egypt is not a member of **African Risk Capacity**, a specialised agency of the **African Union** established to help African governments improve their capacities to better plan, prepare, and respond to extreme weather events and natural disasters.⁸

... and scraps State of Emergency

United States (US) Secretary of State **Antony Blinken** hosted Egypt's foreign minister, **Sameh Shoukry**, in **Washington** on 8 and 9 November for the **US-Egypt Strategic Dialogue**. US president **Joseph Biden** (2021-present) is under pressure to take a harder stance on Egypt after promising to make human rights the centre of his foreign policy agenda while campaigning for the presidency in 2020. The US provides \$300m in aid to Egypt annually.⁹

The lead up to the meeting saw **Cairo** ending the **State of Emergency** that had been continuously extended since April 2017, as well as Egypt's government announcing a "*Human Rights Strategy*".¹⁰ The State of Emergency law had given the police and military broad sweeping powers and allowed for indefinite detention without trial and hearings of civilians by military courts. It also restricted public demonstrations and gave the state additional powers to practise censorship.

The removal of the State of Emergency is mostly symbolic. The primary change is that no new cases will be referred to **Emergency State Security Courts**. However, old cases will remain, meaning that security trials will continue for postgraduate researcher **Patrick Zaki**, former MP **Zyad Elaleimy**, **Palestinian-Egyptian Boycott, Divestment and Sanctions (BDS)** activist **Ramy Shaath**, writer and activist **Alaa Abd El Fattah**, and many others.

New laws introduced over recent years mean that most elements of the State of Emergency law have already been enshrined by legislation. The legislative wing of government, most of whom were

⁴ UN Environmental Program 2020.

⁵ Al Mal, 3 Nov 2021.

⁶ Al Mal, 3 Nov 2021.

⁷ Quartz, 1 Nov 2021.

⁸ Arc.int accessed 14 Nov 2021

⁹ Reuters, 8 Nov 2021.

¹⁰ Enterprise, 12 Sep 2021.

installed by Sisi, passed a raft of new national security laws in the days before the removal of the State of Emergency.¹¹ In **Sinai**, a presidential decree issued on 4 October grants the government powers to impose additional measures there based on the 2015 anti-terrorism law.¹² The decree gives the defence minister the authority to determine areas subject to the exceptional measures, which allow for similar security actions such as forced evacuations and curfews, which were also provided for under the emergency law.¹³ The anti-terrorism law allows security forces to work without judicial oversight. Section 40 allows for arrest without warrant of people even if they are not caught in the act of breaking the law.¹⁴ The law on terrorist entities and terrorism lists, provides that individuals, businesses, media platforms and any form of organisation, legal or otherwise, can be added to state terrorist lists even if they have not been convicted of terrorist crimes. In the process, their assets can be seized, whether or not they are related to the alleged offences.¹⁵ The protest law, put in place in 2014, essentially prohibits public gatherings, while the grounds for civilians to be prosecuted in military trials will also remain. One of the starkest changes of the current regime was a 2017 law that gave the president the power to choose and appoint the heads of key judicial bodies. Under former president **Hosni Mubarak** (1981-2011), the courts enjoyed relative autonomy.

The scrapping of the State of Emergency is reported to have come following the Biden administration's decision in September to withhold \$130m of the \$300m in aid. Already facing criticism of its handling of Egypt, the US expressed "concern" during talks that covered Egypt's involvement in **Gaza** and **Libya** and ongoing water issues with Ethiopia, over Egypt's human rights situation, which was critiqued extensively in press coverage of the meeting. **The Washington Post's** editorial board noted that, under Sisi, Cairo continues to stifle freedom of expression, restrict civil society organisations, detain thousands of political prisoners and practise torture, all in the name of fighting "terrorism":¹⁶

*"The secretary [Anthony Blinken] welcomed Egypt's ballyhooed but mostly cosmetic 'human rights strategy', whose name oddly implies that the systematic violations are unsanctioned and not the result of Egypt's own official policies."*¹⁷

The Washington Post went on to suggest that a real commitment to human rights would involve suspending the whole \$300m and the release of political prisoners, among other reforms called for in an open letter from the bipartisan **Working Group on Egypt**.¹⁸

Covid update

Egypt's health ministry reported 929 new **Covid-19** infections as of 14 November. The country has now disclosed a total of 343,026 confirmed cases of Covid-19 in its population of roughly 104.3 million. The ministry also reported 69 new deaths, bringing the country's total death toll from Covid-19-related disease to 19,435 since March 2020.¹⁹

The government began rolling out walk-in vaccination centres in Cairo metro stations on 13 November,²⁰ leading up to the implementation of new regulations that exclude public sector workers who have not been vaccinated against Covid-19 from their workplaces as of 15 November.²¹ From 1 December, members of the public will not be able to enter government buildings without

¹¹ Al Ahram, 2 Nov 2021.

¹² Mada Masr, 28 Oct 2021

¹³ Mada Masr, 28 Oct 2021

¹⁴ Mada Masr, 28 Oct 2021

¹⁵ Mada Masr, 28 Oct 2021

¹⁶ The Washington Post, 10 Nov 2021.

¹⁷ The Washington Post, 10 Nov 2021.

¹⁸ The Washington Post, 10 Nov 2021.

¹⁹ Egyptian Streets, 13 Nov 2021.

²⁰ Egyptian Streets, 13 Nov 2021.

²¹ Al Masry Al Youm, 13 Nov 2021.

being vaccinated. University students will also be unable to access campuses without proof of vaccination.²²

Higher education minister and acting health minister **Khaled Abdel Ghaffar** said in an interview on 13 November that 14 million Egyptians are now fully vaccinated against Covid-19 and a quarter of the population, which amounts to 26.8 million people, has had at least one dose of a vaccine.²³ Another 14 million vaccines should arrive in Egypt before the end of November. Around 9.6 million doses of the US-manufactured single-shot **Johnson & Johnson Janssen** vaccine, 2.3 million doses of UK-Swedish-produced **AstraZeneca**, and 1.5 million US-manufactured **Pfizer BioNTech** doses will reach Egypt by the end of the month.²⁴

Planner

Nov 2021 **Cairo (Egypt) Al Mal**. Egypt will host another round of talks to reach a potential Egyptian-Eurasian trade agreement, which can significantly contribute to increasing the volume of Egyptian exports to the **Russia**-led bloc that includes **Armenia, Belarus, Kazakhstan and Kyrgyzstan**;

13-17 Dec 2021 **Sharm El Sheikh (Egypt) UN**. **United Nations** Convention against Corruption meeting;

2020-2021 **Cairo (Egypt) Al Mal**. Government-led initial public offering programme;

1 Dec 2021 **Cairo (Egypt) Enterprise**. Unvaccinated members of the public will be banned from government buildings from this date; unvaccinated students will be prevented from accessing university campuses;

1 Dec 2021 **Cairo (Egypt) Youm7**. Government departments will begin moving to offices in the new capital.

Chronology

13 Nov 2021 **Cairo (Egypt) The National**. **Naguib Sawiris' Ora Developers** is planning to invest at least \$1 billion over the next five years to increase its footprint in **Africa**, involving construction of a seven-star hotel in **Senegal** and developing resorts in several countries across the continent, including **Ghana**, the **Democratic Republic of the Congo** and **Sudan**;

13 Nov 2021 **Cairo (Egypt) Enterprise**. Egypt, the world's largest importer of wheat, is facing a steeper import bill as its international wheat tenders deliver the steepest prices in at least five years and the government prepares to start reducing bread subsidies to soften the impact on the state budget;

13 Nov 2021 **Cairo (Egypt) France 24**. President **Abdel Fattah El Sisi** renews calls for all foreign fighters to be withdrawn from **Libya** and urges world powers to condemn nations that continue to deploy troops inside the country;

11 Nov 2021 **Cairo (Egypt) Al Ahram**. President **Abdel Fattah El Sisi** is in **Paris (France)** ahead of a **United Nations**-sponsored conference on **Libya** to pave the way for Libya's planned elections on 24 December;

11 Nov 2021 **Cairo (Egypt) Al Mal**. The **Federation of Egyptian Chambers of Commerce (Fedcoc)** has handed a formal request requesting that businesses in the healthcare, building materials, construction, pharma, education, security services, and workers' expatriation services be exempted from paying the new private sector minimum wage of EGP 2,400 (\$152.78) per month from 1 January ;

²² Egyptian Streets, 13 Nov 2021.

²³ Al Hakeya, 13 Nov 2021.

²⁴ Al Hakeya, 13 Nov 2021.

11 Nov 2021 **Cairo (Egypt)** *Menabytes*. Cairo-based grocery delivery startup **Rabbit** has raised \$11m in a pre-seed venture capital funding round, describing it as the largest-ever pre-seed round in the **Middle East** and **Africa**;

9 Nov 2021 **Cairo (Egypt)** *Reuters*. First **United States (US)-Egypt** strategic talks in six years begin in **Washington (US)**;

9 Nov 2021 **Cairo (Egypt)** *Press release*. Egypt has agreed to increase its border forces in **Rafah** following an agreement with **Israeli** military leaders, who travelled to the **Sinai Peninsula** for a rare public meeting;

9 Nov 2021 **Cairo (Egypt)** *Tech Central*. **South Africa**-based mobile communications company **Vodacom Group** announces it will acquire **Vodafone Egypt** from parent **Vodafone Group** for ZAR41 billion (\$2.72 billion);

27 Oct 2021 **Cairo (Egypt)** *Egypt Independent*. **World Bank** approves a \$360m development policy financing loan to support **Egypt's** post-pandemic recovery;

25 Oct 2021 **Cairo (Egypt)** *Egypt Independent*. President **Abdel Fattah al-Sisi** announces the end of the state of emergency, for the first time in four years.

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Getting in touch

Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

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